

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
	)	
W. R. GRACE & CO., <u>et al.</u> , <sup>1</sup>	)	Case No. 01-01139 (JKF)
	)	(Jointly Administered)
Debtors.	)	
		Objection Deadline: August 23, 2007 at 4:00 p.m.
		Hearing Date: TBD only if necessary

**SUMMARY OF APPLICATION OF REED SMITH LLP  
FOR COMPENSATION FOR SERVICES AND REIMBURSEMENT OF  
EXPENSES AS SPECIAL ASBESTOS PRODUCTS LIABILITY DEFENSE  
COUNSEL TO DEBTORS FOR THE SEVENTY-SECOND MONTHLY INTERIM  
PERIOD FROM JUNE 1, 2007 THROUGH JUNE 30, 2007**

Name of Applicant:	Reed Smith LLP
Authorized to Provide Professional Services to:	W. R. Grace & Co., <i>et al.</i> , Debtors and Debtors-in-Possession
Date of Retention:	July 19, 2001, effective as of April 2, 2001
Period for which compensation and reimbursement is sought:	June 1 through June 30, 2007
Amount of fees sought as actual, reasonable and necessary:	\$285,417.50
Amount of expenses sought as actual, reasonable and necessary	\$25,072.31
This is a(n): <u>X</u> monthly    __ interim    __ final application.	

<sup>1</sup> The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc.), Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc.), E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

Date Filed	Period Covered	Requested Fees	Requested Expenses	Status of Fees	Status of Expenses
8/28/01	4/2/01 through 7/31/01	\$40,583.00	\$356.92	No objections served on counsel	No objections served on counsel
9/27/01	8/1/01 through 8/31/01	\$90,113.00	\$4,048.11	No objections served on counsel	No objections served on counsel
10/26/01	9/1/01 through 9/30/01	\$155,804.00	\$6,971.66	No objections served on counsel	No objections served on counsel
11/27/01	10/1/01 through 10/31/01	\$229,036.50	\$10,314.97	No objections served on counsel	No objections served on counsel
12/26/01	11/1/01 through 11/30/01	\$216,703.50	\$22,667.19	No objections served on counsel	No objections served on counsel
1/30/02	12/1/01 through 12/31/01	\$152,288.00	\$43,025.11	No objections served on counsel	No objections served on counsel
3/1/02	1/1/02 through 1/31/02	\$152,389.50	\$45,525.87	No objections served on counsel	No objections served on counsel
3/28/02	2/1/02 through 2/28/02	\$115,694.50	\$39,388.59	No objections served on counsel	No objections served on counsel
5/2/02	3/1/02 through 3/31/02	\$95,617.50	\$49,224.63	No objections served on counsel	No objections served on counsel
5/28/02	4/1/02 through 4/30/02	\$125,169.50	\$44,498.12	No objections served on counsel	No objections served on counsel
6/28/02	5/1/02 through 5/31/02	\$186,811.50	\$88,641.73	No objections served on counsel	No objections served on counsel
8/5/02	6/1/02 through 6/30/02	\$167,414.75	\$26,462.86	No objections served on counsel	No objections served on counsel
9/9/02	7/1/02 through 7/31/02	\$121,203.75	\$7,897.17	No objections served on counsel	No objections served on counsel
9/30/02	8/1/02 through 8/31/02	\$183,876.75	\$18,631.51	No objections served on counsel	No objections served on counsel
10/31/02	9/1/02 through 9/30/02	\$205,975.00	\$12,810.65	No objections served on counsel	No objections served on counsel
11/27/02	10/1/02 through 10/31/02	\$172,838.75	\$34,384.69	No objections served on counsel	No objections served on counsel
12/30/02	11/1/02 through 11/30/02	\$115,576.00	\$12,630.85	No objections served on counsel	No objections served on counsel
1/30/03	12/1/02 through 1/31/02	\$36,744.50	\$16,310.05	No objections served on counsel	No objections served on counsel
3/6/03	1/1/03 through 1/31/03	\$123,884.00	\$3,760.28	No objections served on counsel	No objections served on counsel
4/2/03	2/1/03 through 2/28/03	\$233,867.50	\$21,251.46	No objections served on counsel	No objections served on counsel
5/7/03	3/1/03 through 3/31/03	\$124,350.00	\$30,380.42	No objections served on counsel	No objections served on counsel
6/4/03	4/1/03 through 4/30/03	\$223,770.50	\$19,411.28	No objections served on counsel	No objections served on counsel

Date Filed	Period Covered	Requested Fees	Requested Expenses	Status of Fees	Status of Expenses
7/1/03	5/1/03 through 5/31/03	\$190,838.00	\$22,397.08	No objections served on counsel	No objections served on counsel
7/31/03	6/1/03 through 6/30/03	\$165,837.25	\$18,778.12	No objections served on counsel	No objections served on counsel
8/29/03	7/1/03 through 7/31/03	\$202,033.50	\$13,132.57	No objections served on counsel	No objections served on counsel
10/2/03	8/1/03 through 8/31/03	\$155,275.50	\$5,526.19	No objections served on counsel	No objections served on counsel
10/28/03	9/1/03 through 9/30/03	\$32,877.00	\$5,836.88	No objections served on counsel	No objections served on counsel
11/28/03	10/1/03 through 10/31/03	\$20,656.50	\$3,553.00	No objections served on counsel	No objections served on counsel
12/29/03	11/1/03 through 11/30/03	\$16,642.50	\$352.73	No objections served on counsel	No objections served on counsel
2/4/04	12/1/03 through 12/31/03	\$8,871.00 <sup>2</sup>	\$1,332.05	No objections served on counsel	No objections served on counsel
3/10/04	1/1/04 through 1/31/04	\$21,531.00	\$85.71	No objections served on counsel	No objections served on counsel
4/7/04	2/1/04 through 2/29/04	\$21,116.00	\$2,537.94	No objections served on counsel	No objections served on counsel
5/5/04	3/1/04 through 3/31/04	\$11,113.00	\$442.16	No objections served on counsel	No objections served on counsel
6/4/04	4/1/04 through 4/30/04	\$16,495.50	\$41.08	No objections served on counsel	No objections served on counsel
7/1/04	5/1/04 through 5/31/04	\$41,085.00	\$2,386.50	No objections served on counsel	No objections served on counsel
8/2/04	6/1/04 through 6/30/04	\$28,692.50	\$725.43	No objections served on counsel	No objections served on counsel
9/3/04	7/1/04 through 7/31/04	\$13,176.50	\$328.55	No objections served on counsel	No objections served on counsel
10/5/04	8/1/04 through 8/31/04	\$11,792.00	\$1,500.03	No objections served on counsel	No objections served on counsel
10/28/04	9/1/04 through 9/30/04	\$22,618.00	\$97.76	No objections served on counsel	No objections served on counsel
11/29/04	10/1/04 through 10/31/04	\$127,040.00	\$2,696.29	No objections served on counsel	No objections served on counsel
1/7/05	11/1/04 through 11/30/04	\$29,207.50	\$1,858.91	No objections served on counsel	No objections served on counsel
2/9/05	12/1/04 through 12/31/04	\$123,722.25	\$2,598.89	No objections served on counsel	No objections served on counsel
3/1/05	1/1/05 through 1/31/05	\$112,761.00	\$3,520.69	No objections served on counsel	No objections served on counsel

2 Although Reed Smith initially requested \$9,795.00 for the December 2003 monthly interim period, it revised its request after discovering an error in its Fee Application for that period, after the Fee Application was filed (and with the advice and consent of the Fee Auditor). The corrected amount requested by Reed Smith for that period is reflected above.

Date Filed	Period Covered	Requested Fees	Requested Expenses	Status of Fees	Status of Expenses
3/29/05	2/1/05 through 2/28/05	\$40,738.00	\$2,719.01	No objections served on counsel	No objections served on counsel
4/27/05	3/1/05 through 3/31/05	\$22,165.50	\$281.04	No objections served on counsel	No objections served on counsel
5/31/05	4/1/05 through 4/30/05	\$27,745.00	\$373.42	No objections served on counsel	No objections served on counsel
6/30/05	5/1/05 through 5/31/05	\$48,125.50	\$1,444.96	No objections served on counsel	No objections served on counsel
8/2/05	6/1/05 through 6/30/05	\$53,677.50	\$2,901.34	No objections served on counsel	No objections served on counsel
8/31/05	8/1/05 through 8/31/05	\$67,024.00	\$4,443.37	No objections served on counsel	No objections served on counsel
10/28/05	9/1/05 through 9/31/05	\$75,564.50	\$1,333.69	No objections served on counsel	No objections served on counsel
11/28/05	10/1/05 through 10/31/05	\$100,140.00	\$2,209.06	No objections served on counsel	No objections served on counsel
12/29/05	11/1/05 through 11/30/05	\$73,829.00	\$2,476.74	No objections served on counsel	No objections served on counsel
2/3/06	12/1/05 through 12/31/05	\$132,709.00	\$9,322.91	No objections served on counsel	No objections served on counsel
3/6/06	1/1/06 through 1/31/06	\$179,492.75	\$7,814.56	No objections served on counsel	No objections served on counsel
3/28/06	2/1/06 through 2/28/06	\$121,127.50	\$2,113.02	No objections served on counsel	No objections served on counsel
4/28/06	3/1/06 through 3/31/06	\$138,244.50	\$8,928.17	No objections served on counsel	No objections served on counsel
5/30/06	4/1/06 through 4/30/06	\$258,539.00	\$3,990.53	No objections served on counsel	No objections served on counsel
6/28/06	5/1/06 through 5/31/06	\$187,688.50	\$7,066.20	No objections served on counsel	No objections served on counsel
7/31/06	6/1/06 through 6/30/06	\$290,925.50	\$7,211.50	No objections served on counsel	No objections served on counsel
9/1/06	7/1/06 through 7/31/06	\$318,207.00	\$5,751.93	No objections served on counsel	No objections served on counsel
9/28/06	8/1/06 through 8/31/06	\$431,035.00	\$19,258.20	No objections served on counsel	No objections served on counsel
10/30/06	9/1/06 through 9/30/06	\$214,071.00	\$8,718.91	No objections served on counsel	No objections served on counsel
11/28/06	10/1/06 through 10/31/06	\$253,411.00	\$3,957.53	No objections served on counsel	No objections served on counsel
12/21/06	11/1/06 through 11/30/06	\$269,985.00	\$10,276.93	No objections served on counsel	No objections served on counsel
1/29/07	12/1/06 through 12/31/06	\$449,619.00	\$13,006.42	No objections served on counsel	No objections served on counsel
3/2/07	1/1/07 through 1/31/07	\$451,799.50	\$10,807.56	No objections served on counsel	No objections served on counsel

Date Filed	Period Covered	Requested Fees	Requested Expenses	Status of Fees	Status of Expenses
3/28/07	2/1/07 through 2/28/07	\$571,452.50	\$26,064.65	No objections served on counsel	No objections served on counsel
5/1/07	3/1/07 through 3/31/07	\$612,334.00	\$21,618.02	No objections served on counsel	No objections served on counsel
5/30/07	4/1/07 through 4/30/07	\$659,653.00	\$95,262.97	No objections served on counsel	No objections served on counsel
6/29/07	5/1/07 through 5/31/07	\$381,244.00	\$76,304.87	No objections served on counsel	No objections served on counsel

As indicated above, this is the seventieth application for monthly interim compensation of services filed with the Bankruptcy Court in the Chapter 11 Cases.

The total time expended for the preparation of this application is approximately 17 hours, and the corresponding estimated compensation *that will be requested in a future application* is approximately \$4,000.00.

The Reed Smith attorneys who rendered professional services in these cases during the Fee Period are:

Name of Professional Person	Position with the applicant	Number of years as an attorney	Department	Hourly billing rate	Total billed hours	Total compensation
James J. Restivo, Jr.	Partner	36 Years	Litigation	\$635.00	57.70	\$36,639.50
Lawrence E. Flatley	Partner	32 years	Litigation	\$575.00	56.20	\$32,315.00
Douglas E. Cameron	Partner	23 Years	Litigation	\$570.00	179.30	\$102,201.00
Antony B. Klapper	Partner	13 Years	Litigation	\$520.00	35.50	\$18,460.00
Harold S. Engel	Partner	38 Years	Litigation	\$525.00	23.30	\$12,232.50
Margaret L. Sanner	Of Counsel	22 Years	Litigation	\$425.00	15.90	\$6,757.50
Traci Sands Rea	Partner	12 Years	Litigation	\$400.00	63.70	\$25,480.00
Andrew J. Muha	Associate	6 Years	Litigation	\$350.00	12.70	\$4,445.00
Rebecca E. Aten	Associate	4 Years	Litigation	\$295.00	89.70	\$26,461.50
Danielle D. Rawls	New Associate	1 Year	Litigation	\$240.00	7.60	\$1,824.00
Matthew M. Wrenshall	Summer Associate	1 Year	N/A	\$190.00	9.80	\$1,862.00
Samantha M. Clancy	Summer Associate	1 Year	N/A	\$190.00	4.30	\$817.00
Stephanie J. Black	Summer Associate	1 Year	N/A	\$190.00	1.50	\$285.00

The paraprofessionals who rendered professional service in these cases during the Fee Period are:

Name of Professional Person	Position with the applicant	Number of years in position	Department	Hourly billing rate	Total billed hours	Total compensation
Nancy A. Sheliga	Analyst	14 Years	Business & Regulatory	\$265.00	1.40	\$371.00
John B. Lord	Paralegal	14 Years	Bankruptcy	\$210.00	2.90	\$609.00
Maria DiChiera	Paralegal	15 Years	Litigation	\$210.00	.20	\$42.00
Maureen Atkinson	Paralegal	31 Years	Litigation	\$190.00	1.50	\$285.00
Jennifer L. Taylor-Payne	Paralegal	11 Years	Litigation	\$185.00	38.20	\$7,067.00
Lynn D. Williams	Paralegal	12 Years	Business & Regulatory	\$180.00	2.30	\$414.00
Margaret A. Garlitz	Paralegal	16 Years	Litigation	\$185.00	15.00	\$2,775.00
Sharon A. Ament	Paralegal	3 Years	Litigation	\$145.00	28.10	\$4,074.50

**Total Fees: \$285,417.50**

**COMPENSATION BY PROJECT CATEGORY**

Project Category	Hours	Amount
Litigation	80.80	\$43,752.00
Non-Working Travel Time	8.00	\$4,435.00
ZAI	31.40	\$17,912.00
Fee Applications	17.50	\$4,482.50
Hearings	33.60	\$14,327.00
Claim Analysis Objection Resolution & Estimation	418.30	\$184,851.50
Montana Grand Jury Investigation	57.20	\$15,657.50
<b>Total</b>	<b>646.80</b>	<b>\$285,417.50</b>

**EXPENSE SUMMARY**

Description	Non-ZAI Science Trial	ZAI Science Trial
Telephone Expense	\$17.36	\$3.55
Telephone -- Outside	\$426.46	----
PACER	\$331.44	----
Searches	\$320.00	----
Lexis	\$207.16	----
Westlaw	\$194.82	----
Duplicating/Printing/Scanning	\$1,910.00	\$5.90
Outside Duplicating	\$186.04	----
IKON Copy Services	\$244.40	----
Documentation Charge	\$204.90	----
Postage Expense	\$9.50	----
Courier Service -- Outside	\$259.98	----
Transcript Expense	\$4,381.16	----
Secretarial Overtime	\$577.50	----
Meal Expense	\$1,570.78	\$20.77
Mileage Expense	----	\$52.38
Taxi Expense	\$46.00	\$78.00
Air Travel Expense	\$144.20	\$586.51
Lodging	\$240.35	----
Consulting Fees	\$12,957.83	----
Parking/Tolls/Other Transportation	\$55.00	\$19.00
General (vendor fee for boxes and H. Engel expense for trip to Atlanta)	\$21.32	----
<b>SUBTOTAL</b>	<b>\$24,306.20</b>	<b>\$766.11</b>
<b>TOTAL</b>	<b>\$25,072.31</b>	

Dated: July 31, 2007  
Wilmington, Delaware

REED SMITH LLP

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